

Message Text

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43

ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 NEA-10 ISO-00 ERDA-05

AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 FEAE-00

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-04 USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04

TRSE-00 PA-01 PRS-01 /115 W
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R 261342Z AUG 75

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 2960

INFO AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY JIDDA

AMEMBASSY KINSHASA

AMEMBASSY NEW DELHI

AMEMBASSY TEHRAN

USMISSION OECD PARIS

C O N F I D E N T I A L ALGIERS 1892

E.O. 11652: GDS

TAGS: ENRG, AG

SUBJECT: PRODUCERS-CONSUMERS DIALOGUE

1. PRESIDENT OF SONATRACH, SID AHMED GHOZALI, ASKED ME TO CALL AT HIS OFFICE YESTERDAY EVENING TO BRIEF ME ON DISCUSSION MINISTER ENERGY ABDESSELAM HAD WITH FRENCH AMBASSADOR DE COMMINES THAT MORNING. (DE COMMINES TELLS ME HE GAVE FOREIGN MINISTRY ON 19 AUGUST COPY OF AIDE MEMOIRE SETTING FORTH FRENCH UNDERSTANDING OF SCENARIO FOR PROPOSED DIALOGUE AND HAD CALLED ON ABDESSELAM YESTERDAY TO GET RESPONSE.) GHOZALI SAID ALGERIAN RESPONSE HAD BEEN ALONG SAME LINES AS ABDESSELAM'S REMARKS TO UNDER SECRETARY ROBINSON. IN BRIEF ALGERIANS AGREED TO
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RESUME DIALOGUE BUT HAD CERTAIN RESERVATIONS AS FOLLOWS:

A. LINKAGE: ALGERIANS CONTINUED BELIEVE THIS MOST IMPORTANT AND THAT MINISTERS MUST MEET AGAIN SOONER THAN TWELVE MONTHS AFTER FIRST CONVERING. (DE COMMINES SAID ABDESSELAM SAID THAT IF MINISTERS DID NOT MEET MORE FREQUENTLY THE CONFERENCE WOULD BE "PAS SERIEUSE".)

B. MONETARY REFORM: OTHER QUESTIONS SUCH AS RAW MATERIALS AND DEVELOPMENT COULD NOT BE DISCUSSED WITHOUT DISCUSSING MONETARY PROBLEM AS WELL. FRENCH POSITION AS CONVEYED IN AIDE MEMOIRE SEEMED TO BE THAT REFORM SHOULD BE DISCUSSED ONLY WITHIN FRAMEWORK OF IBRD AND IMF, MEANING TO ALGERIANS THAT THERE WOULD BE DISCUSSION OF FINANCE WITHOUT DISCUSSION OF MONETARY PROBLEMS. (ACCORDING DE COMMINES, ABDESSELAM SIAD ESSENTIAL WAS NOT NECESSARILY THAT THERE BE FOURTH COMMISSION BUT THAT MONETARY PROBLEMS BE DISCUSSED SOMEWHERE BECAUSE MONETARY INSTABILITY WAS CAUSING SERIOUS PROBLEMS FOR ENTIRE WORLD AND LDC'S IN PARTICULAR. EXPORTERS OF RAW MATERIALS WERE CONTINUALLY SEEING THEIR RESERVES THREATENED. IMF HAD NOT DONE ITS JOB IN PAST AND WAS NOT RESPONDING TODAY TO THE NEW DIVISION OF ECONOMIC FORCES, JUST AS IBRD WAS FILING TO DO ITS JOB IN FIELD OF DEVELOPMENT. BOTH INSTITUTIONS WERE TOO MUCH UNDER DOMINATION OF US. AT SAME TIME, ABDESSALAM HAD SAID IT SHOULD NOT BE ROLE OF CONFERENCE TO QUESTION ROLE OF IMF AND IBRD, BUT RATHER TO DISCUSS WAY THEY OPERATED, AND TO LAY SOME NEW GROUND RULES FOR THEM, ORIENTING THEM TOWARDS SOLUTION OF SERIOUS PROBLEMS WHICH FLOTATION OF CURRENCIES AND SHORTCOMING OF PRESENT SYSTEM WITH REGARD TO LIQUIDITIES CAUSING LDC'S.)

C. REPRESENTATION: GHOZALI SAID ALGERIANS FELT STRONGLY THAT CHOICE OF PARTICIPANTS SHOULD BE UP TO 77 AND OECD AND DID NOT WANT CRITERIA FOR PARTICIPATION TO BE IMPOSED BY PREPCON. (AS WE UNDERSTAND IT, WHEN ALGERIANS MENTION CRITERIA, THEY TALKING ABOUT MEMBERSHIP IN COMMISSIONS, NOT CHOICE OF PARTICIPANTS IN PLENARY. THIS SEEMS CLEAR, IN RETROSPECT, FROM CONTEXT

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OUR OWN EXCHANGES WITH THEM, I.E., THERE ARE TWO QUESTIONS: (1) CHOICE OF 27, WHICH WILL BE LEFT UP TO 77 AND OECD AND (2) CHOICE OF MEMBERS OF COMMISSIONS, WHICH SHOULD BE DETERMINED BY PLENARY, AND NOT BY CRITERIA IMPOSED BY PREPCON. DE COMMINES AND I AGREE THAT ALGERIAN INSISTANCE ON THIS POINT RELATES TO THEIR DESIRE BRING IN AND PLACE STRATEGICALLY STATES FRIENDLY TO ALGERIAN POINT OF VIEW. WHEN I ASKED DIRECTOR EUROPEAN AND AMERICAN AFFAIRS AT

FONMIN RECENTLY WHAT SORT OF COUNTRIES THEY HAD IN MIND AS NOT MEETING CRITERIA, HE SAID SRI LANKA, FOR EXAMPLE, WHICH WOULD BE PRESIDING OVER NAC AND WHICH WAS IMPORTANT COUNTRY FOR ALGERIA. AS INDICATION ALGERIAN ATTITUDE, DE COMMINES NOTED THAT ABDESSELAM OBJECTED TO PHRASE "PARAISSENT LES PLUS APRES A Y FIGURER" IN PARAGRAPH 4-6 OF FRENCH AIDE MEMOIRE, I.E., HE DID NOT WANT EVEN PLENARY TO USE CRITERIA BUT WANTS WHAT IN EFFECT WILL BE POLITICAL CHOICE.) IN FURTHER CONVERSATION THIS POINT WITH GHOZALI HE SAID ALGERIANS WERE CONCERNED THAT THERE WOULD BE HARD FEELINGS IF CRITERIA IMPOSED AND THAT THIS WOULD LEAD TO GENERAL CLAMOR BY ALL 27 FOR MEMBERSHIP ON ALL COMMISSIONS, AND WE WOULD BE UNABLE HOLD NUMBER DOWN TO 15. DO NOT KNOW HOW GENUINE THESE CONCERNS ARE AND SUSPECT ALGERIAN DESIRE BRING IN SOME RINGERS IS MORE GERMANE.

D. OBSERVERS: GHOZALI SAID AS FAR AS GOA CONCERNED, ONLY LOGICAL OBSERVER GROUP WAS UN, BUT ALGERIA ITSELF WOULD NOT RAISE OBJECTIONS TO OBSERVER STATUS FOR IEA, ALTHOUGH IT WOULD BE BOUND BY DECISION OF 7 IN THIS REGARD. ALGERIANS DID NOT BELIEVE IEA SHOULD ATTEND UNDER SOME HYPOCRITICAL LABEL BUT SHOULD BE THERE FOUR SQUARELY AS IEA. (DE COMMINES EXPLAINED TO ME THAT ON INSTRUCTIONS HE HAD ORALLY POSED PARTICIPATION OF IEA IN THE COMMISSION ON ENERGY, WITHOUT IDENTIFICATION. ABDESSELAM HAD SAID THIS WOULD POSE NO PROBLEM, BUT WHY NOT DO IT OPENLY AND CALL IEA BY ITS REAL NAME RATHER THAN SEEKING ANONYMITY?)

2. COMMENT:

A. DE COMMINES REPORTS THAT THROUGHOUT HIS
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CONVERSATION WITH ABDESSELAM LATTER'S VERY STRONG SUSPICIONS OF OUR MOTIVES WERE CONTINUALLY CROPPING UP. I NOTED THAT WE HAD OUR OWN OF THE ALGERIANS. BELIEVE ALGERIAN SUSPICIONS JUST AS GENUINE AS OUR OWN. IT APPEARS FROM WHAT DE COMMINES SAYS THAT THEY HAVE REAL FEAR WE WILL MANAGE TO DOMINATE CONFERENCE THROUGH CORRIDOR NEGOTIATIONS, USING SAUDIS AND OTHERS AS STALKING HORSES.

B. PRESUME UNUSUAL TACTIC OF KEEPING US INFORMED, AT LEAST PARTIALLY, OF DIALOGUE WITH FRENCH IS MADE WITH VIEW TO IMPRESSING US WITH REASONABLENESS OF ALGERIAN POSITION AND AS PROPITIATORY GESTURE.

3. GATHER FROM BRASILIA'S 7379 THAT OTHER POSTS HAVE COPIES OF FRENCH AIDE MEMOIRE SENT OUT UNDER STATE

196703 WHICH UNRECEIVED HERE. WE NOW HAVE COPY FROM
FRENCH BUT WOULD APPRECIATE RECEIVING ENGLISH LANGUAGE
VERSION IF ONE HAS BEEN PREPARED.PARKER

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